

FARRIS MATHEWS BRANAN
BOBANGO HELLEN & DUNLAP PLC

ATTORNEYS AT LAW

MEMPHIS DOWNTOWN
One Commerce Square, Suite 2000
Memphis, Tennessee 38103
Telephone 901-259-7100
Facsimile 901-259-7150

HISTORIC CASTNER-KNOTT BUILDING
618 CHURCH STREET, SUITE 300
NASHVILLE, TN 37219

(615) 726-1200 telephone
(615) 726-1776 facsimile

Kristi Stout
kstout@farrismathews.com

RECEIVED
2005 AUG 17 11:30
MEMPHIS EAST
1100 Ridgeway Loop Road, Suite 400
Memphis, Tennessee 38120
Telephone 901-259-7120
Facsimile 901-259-7180
T.R.A.

Reply to
Nashville Office

August 17, 2005

Chairman Ron Jones
Attn: Sharla Dillon
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37243-0505

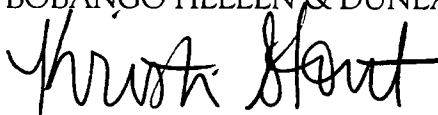
RE. Petition of King's Chapel Capacity, LLC for Certificate of Convenience and Necessity to Serve an Area in Williamson County, Tennessee Known as Ashby Community Docket No. 04-00335 (Responses to August 15, 2005 Data Requests)

Dear Chairman Jones:

Please find enclosed for filing, an original and 14 copies of King Chapel Capacity's Data Request Responses. Please date stamp one copy for my records. Thank you for your assistance regarding this matter. If you have any questions, or if I may be of further assistance, please do not hesitate to contact me.

Very truly yours,

FARRIS MATHEWS BRANAN
BOBANGO HELLEN & DUNLAP, PLC



Kristi Stout

**BEFORE THE TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE**

IN RE:

**PETITION OF KING’S CHAPEL)
CAPACITY, LLC FOR CERTIFICATE OF)
CONVENIENCE AND NECESSITY TO)
SERVE AN AREA IN WILLIAMSON)
COUNTY, TENNESSEE KNOWN AS)
ASHBY COMMUNITY)**

DOCKET NO. 04-00335

**RESPONSE OF KING’S CHAPEL CAPACITY, LLC TO TRA STAFF DATA
REQUESTS DATED AUGUST 15, 2005**

King’s Chapel Capacity, LLC (“KCC”), by and through undersigned counsel of record,
hereby provides the following responses to the Tennessee Regulatory Authority’s Data Requests
dated August 15, 2005:

**KING'S CHAPEL CAPACITY
RESPONSES TO SECOND SET OF DATA REQUESTS
DOCKET 04-00335
BEFORE THE TENNESSEE REGULATORY AUTHORITY
AUGUST 17, 2005**

1. In its responses to several of Staff's August 4, 2005 data request questions, KCC responded that either "the plant has not yet been constructed" or "the Company has not yet begun construction." Please reconcile these statements with the language in the Settlement and Mutual Release Agreement (Section VII., subsections 1. and 2.) executed by the parties on July 25, 2005 and the Company's Petition, dated October 5, 2004, paragraph 2.

Company Response:

In response to this data request, it is difficult to determine whether the staff is asking this question from an accounting standpoint as the responses to the August 4th data request questions refer. Or if the staff is asking practical construction questions concerning the wastewater system as it relates to the settlement agreement and the petition and subsequent data responses. In this light we have responded to this question twice the first from an accounting position, the second from a construction position.

Company Response: Accounting Position

KCC's review of its responses to the Staff's August 4, 2005 data request reveal that the Company either responded in part that "the plant has not yet been constructed" or "the Company has not yet begun construction" to Items 6, 11, 17, 18 and 19. After review, the Company stands by its initial response to the Staff's August 4, 2005 data request that the plant has not yet been constructed by KCC. All of these questions deal with the accounting methodology that KCC has undertaken to record utility plant on its books.

At this time, KCC has no financial statements of its own and as such has not recorded any transactions dealing with utility plant. The utility wastewater plant was significantly constructed by a TWS affiliate. However, this incomplete plant has not yet been transferred to KCC. Only upon completion of the wastewater system the developer of Kings Chapel Subdivision, Ashby Communities, LLC will affect the transfer of the completed wastewater system to KCC at no charge to KCC.

In regards to Paragraph 2 of the Company's Petition of October 5, 2005, the language submitted was the result of a scribe's error. The language for this section of the Petition should have read as follows:

**KING'S CHAPEL CAPACITY
RESPONSES TO SECOND SET OF DATA REQUESTS
DOCKET 04-00335
BEFORE THE TENNESSEE REGULATORY AUTHORITY
AUGUST 17, 2005**

2. Petitioner is an affiliate of Ashby Communities, LLC, and was created in order to provide wastewater services to the Ashby Communities development. In order to provide for wastewater services, Ashby Communities, LLC ~~has constructed~~ plans to construct a wastewater system (the "Systems") of approved design by the Tennessee Department of Environment and Conservation ("TDEC") and ~~transferred~~ transfer this wastewater system to Petitioner to operate.

KCC apologizes for the error and regrets any confusion it may have caused.

Company Response: Construction Position

The State defines construction of a sewer or wastewater systems to include everything from conceptual studies, pre construction plans, through the actual dirt and contractual work and goes on to include all system apparatuses and appendages thereto.

While the RSF segment of the wastewater treatment system is often referred to as the "plant" KCC acknowledges that the construction of the Plant has been **substantially** completed. What construction that remains to be completed on the plant is **minor** but still defined as construction by the State. For example, electrical supply connected and operational software downloaded is still required for the plant portion of the Wastewater system to be operational. KCC has also relied on TWS through their verified pleadings that the drip fields have been completed, with the exception of the line that connects the plant to the drip fields.

The collection lines from Phase One (48 home sites) of The Kings Chapel subdivision to the pump station have yet to be constructed. The pump station has not been constructed the line from the pump station to the plant has been partially installed. And subsequently the lines from the plant to the drip fields have to be connected. The collection lines and pump station will be constructed by State licensed contractors, per approved TDEC construction drawings submitted to the TRA in response to the first set of date requests. Other minor construction that are not necessarily on TDEC plans include but are not limited to fences around drip fields, warning signs, etc, and the completion of the pond required by Williamson County.

It is our understanding that the holder of the TDEC SOP is allowed to begin or in our case finish construction of the wastewater plant and system. However, in our case we informed Williamson County and TDEC last year that we would file a petition for a CCN rather than operate the wastewater system through a homeowners association. Because

**King's Chapel Capacity
TRA Data Request #2 Response – Docket 04-00335**

of 65-4-201 KCC has been advised not to perform any construction that would finish the wastewater system until the CCN has been granted.

The further reconciliation of sections 1 & 2 of the Settlement agreement ties TWS to the litigation in Williamson County. The parties further agree that everything on the property belongs to KCC. The attorneys defined it in detail in Section 1. Section 2's main focus was for TWS to assure KCC that what their affiliate contractor constructed was to TDEC approved specifications on SOP 03032. Section 2 references that construction on the plant and the system is incomplete.

- 2. As a Limited Liability Company, registered with the Secretary of State to conduct business in Tennessee, KCC must conduct business under its corporate name. While the operation of the wastewater system has not commenced, KCC has incurred expenses, such as legal fees, consulting fees, and regulatory filing fees among others. Therefore, it would seem logical that KCC would have set up an accounting system and chart of accounts. Please explain how these transactions are being recorded on KCC's books. Provide a current Income Statement for KCC for the 12 months ended July 31, 2005, reflecting all transactions.**

Company Response:

KCC has not yet set up an accounting system and has no financial statements or related chart of accounts to show the TRA. KCC does have a checkbook with deposits made by the owners totaling \$67,642.37 through 7/29/05. This check book was opened in January of this year. A copy of all the bank statements which include checks that have been written from this account from its inception are attached. Also attached is a reconciliation sheet describing all expenses paid to date by KCC.

2005	Totals
<u>Legal expenses and Fees</u>	
Militana & Militan	20,000 00
Brasfield & Milazo PC	10,688 50
Lee & Howard	6,424 78
<u>Legal Related Expenses</u>	
Board of Profesional Responsibility	135 00
Elaine Powell	2,000 00
Marriot for S Dorger	1,511 69
S Dorger	2,882 53
<u>Consulting Agreement</u>	
Hal Novak	18,830 00
<u>Court Reporters</u>	
Cleeton Davis	1,852 55
Cleeton Davis	2,513 30
<u>State of TN</u>	
Secretary of State	300 00
TDEC	264 56
TRA	220 50
<u>Misc</u>	
Fed EX	<u>18 96</u>
	67,642 37



1638 ROBERT C JACKSON DR
MARYVILLE TN 37802

FIRST RESOURCE CHECKING ACCOUNT

JOHN POWELL DBA
KINGS CHAPEL CAPACITY
1413 PLYMOUTH DR
BRENTWOOD TN 37027-6915

07 ACCOUNT NUMBER 100554813
EM 44 N

DATE 01/31/05

PAGE 1 OF 3

PREVIOUS BALANCE -----
3 DEPOSITS TOTALING \$27,100.00
3 WITHDRAWALS TOTALING \$27,000.00
NEW BALANCE ----- 01/31/05 ----- \$100.00

FIRST RESOURCE CHECKING ACCOUNT TRANSACTIONS FOR THE PERIOD FROM THROUGH 01/31/05

DATE	AMOUNT	DESCRIPTION	CARD #
01/13	22,000.00	DEPOSIT	
01/20	100.00	DEPOSIT	
01/27	5,000.00	DEPOSIT	

DATE	CHECK #	AMOUNT	DATE	CHECK #	AMOUNT	DATE	CHECK #	AMOUNT
01/14	CHECK	2,000.00	01/26	CHECK	20,000.00	01/31	CHECK	5,000.00

FIRST RESOURCE CHECKING ACCOUNT MONTHLY SUMMARY

AVERAGE COLLECTED BALANCE: 14,160.00
DEPOSITS: 3
ITEMS DEPOSITED: 3
WITHDRAWALS: 3
CASH DEPOSITED (EACH \$250 / FULL OR PARTIAL): 0
TRANSACTIONS COUNTED TOWARD LIMIT: 9

FIRST RESOURCE CHECKING DAILY BALANCE SUMMARY

DATE	BALANCE	DATE	BALANCE	DATE	BALANCE	DATE	BALANCE
01/13	22,000.00	01/14	20,000.00	01/20	20,100.00	01/26	100.00
01/27	5,100.00	01/31	100.00				

***** INQUIRY INFORMATION *****
* ALL INQUIRIES FOR BALANCES, GENERAL INFORMATION, ACCOUNT ERRORS, ACCOUNT *
* ACTIVITY, AUTOMATED TELLER MACHINE ACTIVITY AND FIRST CHECK TRANSACTIONS *
* SHOULD BE DIRECTED TO (615)790-0442. *
* TO REPORT A LOST/STOLEN FIRST CHECK CARD: CALL (615)790-0442 IMMEDIATELY *
* AND FOLLOW THE VOICE PROMPTS, STARTING WITH OPTION #1. *
* DIRECT INQUIRIES CONCERNING PREAUTHORIZED ELECTRONIC FUNDS TRANSFER TO *
* (615)790-5100. *
* YOU MAY MAIL INQUIRIES CONCERNING AUTOMATED TELLER MACHINE ACTIVITY, FIRST *
* CHECK TRANSACTIONS, AND PREAUTHORIZED ELECTRONIC FUNDS TRANSFERS TO: *
* FIRST TENNESSEE BANK N.A. FRANKLIN *
* PUBLIC SQUARE *
* FRANKLIN, TN 37064 *

2
 1-12-05
 E. Powell
 \$2,000.00
 T. Powell
 E. Powell
 00641013984 1005548150 0000000000

CK 1 REF 10005932 PD 01/14 AMT 2000.00

1
 Kings Chapel Capacity, Inc.
 1715 Bryant St.
 Memphis, TN 38107
 01/26/05
 Richard M. Powell Esq.
 \$20,000.00
 T. Powell
 E. Powell
 00641013984 1005548150 0000000000

CK 1 REF 11586140 PD 01/26 AMT 20000.00

3
 Kings Chapel Capacity, Inc.
 1715 Bryant St.
 Memphis, TN 38107
 01/31/05
 W. H. A. Consulting
 \$5,000.00
 E. Powell
 E. Powell
 00641013984 1005548150 0000500000

CK 1 REF 13566079 PD 01/31 AMT 5000.00

Legal 20,000
 Legal 2,000
 Consulting 5,000
 27,000



1638 ROBERT C JACKSON DR
MARYVILLE TN 37802

FIRST RESOURCE CHECKING ACCOUNT

JOHN POWELL DBA
KINGS CHAPEL CAPACITY
1413 PLYMOUTH DR
BRENTWOOD TN 37027-6915

07 ACCOUNT NUMBER 100554813
EM 44 N

DATE 02/28/05

PAGE 1 OF 2

		BALANCE OF YOUR FUNDS
PREVIOUS BALANCE -----	01/31/05	\$100.00
1 DEPOSITS TOTALING		\$5,000.00
1 WITHDRAWALS TOTALING		\$4,816.50
NEW BALANCE -----		02/28/05 \$283.50

FIRST RESOURCE CHECKING ACCOUNT TRANSACTIONS

FOR THE PERIOD FROM 02/01/05 THROUGH 02/28/05

DATE	AMOUNT	DESCRIPTION	CARD #					
02/23	5,000.00	DEPOSIT						
DATE	CHECK #	AMOUNT	DATE	CHECK #	AMOUNT	DATE	CHECK #	AMOUNT
02/23	CHECK	4,816.50						

FIRST RESOURCE CHECKING ACCOUNT MONTHLY SUMMARY

AVERAGE COLLECTED BALANCE:	39.25-
DEPOSITS:	1
ITEMS DEPOSITED:	1
WITHDRAWALS:	1
CASH DEPOSITED (EACH \$250 / FULL OR PARTIAL):	0
TRANSACTIONS COUNTED TOWARD LIMIT:	3

FIRST RESOURCE CHECKING DAILY BALANCE SUMMARY

DATE	BALANCE	DATE	BALANCE	DATE	BALANCE	DATE	BALANCE
02/23	283.50						

***** INQUIRY INFORMATION *****

* ALL INQUIRIES FOR BALANCES, GENERAL INFORMATION, ACCOUNT ERRORS, ACCOUNT *
* ACTIVITY, AUTOMATED-TELLER MACHINE ACTIVITY AND FIRST CHECK TRANSACTIONS *
* SHOULD BE DIRECTED TO (615)790-0442. *
* TO REPORT A LOST/STOLEN FIRST CHECK CARD: CALL (615)790-0442 IMMEDIATELY *
* AND FOLLOW THE VOICE PROMPTS, STARTING WITH OPTION #1. *
* DIRECT INQUIRIES CONCERNING PREAUTHORIZED ELECTRONIC FUNDS TRANSFER TO *
* (615)790-5100. *
* YOU MAY MAIL INQUIRIES CONCERNING AUTOMATED TELLER MACHINE ACTIVITY, FIRST *
* CHECK TRANSACTIONS, AND PREAUTHORIZED ELECTRONIC FUNDS TRANSFERS TO: *
* FIRST TENNESSEE BANK N.A. FRANKLIN *
* PUBLIC SQUARE *
* FRANKLIN, TN 37064 *

4	
DATE	2/18/05
TO	Brasfield & Milazo, P.C.
FOR	Four Thousand Eight Hundred Sixty and 50/100
AMOUNT	\$ 4816.50
FIRST TENNESSEE	
FROM	John Powell Legal Fee (Retainer)
4024 1013984 ADD554813 0000481650	

CK 1 REF 05454816 PD 02/23 AMT 4816.50

Legal 4816.50



1638 ROBERT C JACKSON DR
MARYVILLE TN 37802

FIRST RESOURCE CHECKING ACCOUNT

KINGS CHAPEL CAPACITY LLC
1413 PLYMOUTH DR
BRENTWOOD TN 37027-6915

07 ACCOUNT NUMBER 100554813
EM 44 N

DATE 03/31/05

PAGE 1 OF 4

PREVIOUS BALANCE ----- 02/28/05
1 DEPOSITS TOTALING \$283.50
4 WITHDRAWALS TOTALING \$5,167.85
NEW BALANCE ----- 03/31/05 \$148.50

FIRST RESOURCE CHECKING ACCOUNT TRANSACTIONS

FOR THE PERIOD FROM 03/01/05 THROUGH 03/31/05

DATE	AMOUNT	DESCRIPTION	CARD #					
03/18	5,167.85	DEPOSIT						
DATE	CHECK #	AMOUNT	DATE	CHECK #	AMOUNT	DATE	CHECK #	AMOUNT
03/18	CHECK	135.00	03/28	CHECK	80.85			
03/21	CHECK	5,000.00	03/28	CHECK	87.00			

FIRST RESOURCE CHECKING ACCOUNT MONTHLY SUMMARY

AVERAGE COLLECTED BALANCE:	260.43
DEPOSITS:	1
ITEMS DEPOSITED:	1
WITHDRAWALS:	4
CASH DEPOSITED (EACH \$250 / FULL OR PARTIAL):	0
TRANSACTIONS COUNTED TOWARD LIMIT:	6

FIRST RESOURCE CHECKING DAILY BALANCE SUMMARY

DATE	BALANCE	DATE	BALANCE	DATE	BALANCE	DATE	BALANCE
03/18	5,316.35	03/21	316.35	03/28	148.50		

***** INQUIRY INFORMATION *****
* ALL INQUIRIES FOR BALANCES, GENERAL INFORMATION, ACCOUNT ERRORS, ACCOUNT
* ACTIVITY, AUTOMATED TELLER MACHINE ACTIVITY AND FIRST CHECK TRANSACTIONS *
* SHOULD BE DIRECTED TO (615)790-0442. *
* TO REPORT A LOST/STOLEN FIRST CHECK CARD: CALL (615)790-0442 IMMEDIATELY *
* AND FOLLOW THE VOICE PROMPTS, STARTING WITH OPTION #1. *
* DIRECT INQUIRIES CONCERNING PREAUTHORIZED ELECTRONIC FUNDS TRANSFER TO *
* (615)790-5100. *
* YOU MAY MAIL INQUIRIES CONCERNING AUTOMATED TELLER MACHINE ACTIVITY, FIRST *
* CHECK TRANSACTIONS, AND PREAUTHORIZED ELECTRONIC FUNDS TRANSFERS TO: *
* FIRST TENNESSEE BANK N.A. FRANKLIN *
* PUBLIC SQUARE *
* FRANKLIN, TN 37064 *

Kings Chapel Capacity 7

DATE 3-17-05

TO Morton Davis Court Reporters \$ 80.85

FOR 49452E *E. P. Pounce*

CD64 101398C 100554813P /0000008081P

CK 1 REF 05382807 PD 03/28 AMT 80.85

Kings Chapel Capacity 8

DATE 3-17-05

TO Morton Davis Court Reporters \$ 87.00

FOR 49452E *E. P. Pounce*

CD64 101398C 100554813P /0000008081P

CK 1 REF 05382808 PD 03/28 AMT 87.00

Kings Chapel Capacity 5

DATE 3/14/05

TO Board of Pardon Responsibility \$ 135.00

FOR 49452E *E. P. Pounce*

CD64 101398C 100554813P /0000008081P

CK 1 REF 02818485 PD 03/18 AMT 135.00

Kings Chapel Capacity 6

DATE March 20 05

TO W.H.N. \$ 5000.00

FOR 49452E *E. P. Pounce*

CD64 101398C 100554813P /0000008081P

CK 1 REF 10981615 PD 03/21 AMT 5000.00

Legal 80.85
87.00
135.00

Consulting 5000



1638 ROBERT C JACKSON DR
MARYVILLE TN 37802

FIRST RESOURCE CHECKING ACCOUNT

KINGS CHAPEL CAPACITY LLC
1413 PLYMOUTH DR
BRENTWOOD TN 37027-6915

07 ACCOUNT NUMBER 100554813
EM 44 N

DATE 04/29/05

PAGE 1 OF 8
3

PREVIOUS BALANCE ----- 03/31/05
5 DEPOSITS TOTALING
9 WITHDRAWALS TOTALING
NEW BALANCE ----- 04/29/05

BALANCE OF
YOUR FUNDS
\$148.50
\$5,648.00
\$4,867.13

\$929.37

FIRST RESOURCE CHECKING ACCOUNT TRANSACTIONS

FOR THE PERIOD FROM 04/01/05 THROUGH 04/29/05

DATE	AMOUNT	DESCRIPTION	CARD #
04/05	1,448.00	DEPOSIT	
04/08	15.35	WITHDRAWAL -TGI CHECK ORDER	
		DEBITS	0000
04/11	1,200.00	DEPOSIT	
04/11	1,500.00	DEPOSIT	
04/18	500.00	DEPOSIT	
04/18	1,000.00	DEPOSIT	

DATE	CHECK #	AMOUNT	DATE	CHECK #	AMOUNT	DATE	CHECK #	AMOUNT
04/14	1001	30.00	04/18	1004	746.00	04/21	1009	300.00
04/12	1002	667.00	04/21	1007*	332.53	04/28	1032*	264.56
04/12	1003	1,511.69	04/22	1008	1,000.00			

FIRST RESOURCE CHECKING ACCOUNT MONTHLY SUMMARY

AVERAGE COLLECTED BALANCE: 1,584.26
DEPOSITS: 5
ITEMS DEPOSITED: 5
WITHDRAWALS: 8
CASH DEPOSITED (EACH \$250 / FULL OR PARTIAL): 0
TRANSACTIONS COUNTED TOWARD LIMIT: 18
ELECTRONIC TRANSACTIONS (NOT COUNTED TOWARD LIMIT): 1

FIRST RESOURCE CHECKING DAILY BALANCE SUMMARY

DATE	BALANCE	DATE	BALANCE	DATE	BALANCE	DATE	BALANCE
04/05	1,596.50	04/08	1,581.15	04/11	4,281.15	04/12	2,102.46
04/14	2,072.46	04/18	2,826.46	04/21	2,193.93	04/22	1,193.93
04/28	929.37						

KINGS CHAPEL CUPACITY LLC
 1411 PLYMOUTH DR
 BETHWOOD, TN 37017
 DATE April 7 05
 PAID TO THE ORDER OF Clinton Davis \$ 667.00
Don Knudsen Sixty Seven DOLLARS ☒ & ☐ CENTS
 FIRST TENNESSEE
 1000 W. BROAD ST. NASHVILLE, TN 37203
 Mfr. Transcisions L. L. L.
 ⑆0064 001378⑆1002 100554813⑆ ⑆0000066700⑆

CK 1002 REF 09703856 PD 04/12 AMT 667.00

KINGS CHAPEL CAPACITY LTD
4413 UNIVERSITY DR
SPRINGWOOD, TN 37227

1004
SP-110001
K20004913

DATE April 12 05

PAID TO THE ORDER OF Clinton Davis \$ 746.03
Seven Hundred Forty Six DOLLARS ☒ AND ☐ NO/100

PAY TO THE ORDER OF
CASH
FOR DEPOSIT ONLY
FEDERAL RESERVE BANK

NAME Transfers D. S. Lantz 42
0064 40137841004 4005548136 100000746004
CITY OF NEW YORK

CK 1004 REF 02662681 PD 04/18 AMT 746.00

[illegible]

CK 1008 REF 11848181 PD 04/22 AMT 1000.00

KINGS CHAPEL CEMETERY LTD. 1032
1410 FLYCATCHER DR. 10-120 (S4)
BRIGHTWOOD, TN 38007 1032 (S3)

DATE 4/24/55

PAID TO FIRST 15 26452
OTHER OF TDEC

Travel & maintenance for 52.00 DUE 4/24/55

PAID FIRST
26452
KING'S CHAPEL CEMETERY
1410 FLYCATCHER DRIVE
BRIGHTWOOD, TENN. 38007

Amount Paid For 501 040526

0064 10 13 78 4 10 3 2 10 0 5 5 4 8 1 3 0 100000 264526

CK 1032 REF 02236806 PD 04/28 AMT 264.56

1511.69
332.53
667.⁰⁰
746.⁰⁰

Consulting 30.00
1000.00

State Fees

300
264.56



1638 ROBERT C JACKSON DR
MARYVILLE TN 37802

FIRST RESOURCE CHECKING ACCOUNT

KINGS CHAPEL CAPACITY LLC
1413 PLYMOUTH DR
BRENTWOOD TN 37027-6915

07 ACCOUNT NUMBER 100554813
EM 44 N

DATE 05/31/05

PAGE 1 OF 2

PREVIOUS BALANCE ----- 04/29/05
2 DEPOSITS TOTALING \$929.37
8 WITHDRAWALS TOTALING \$22,546.27
NEW BALANCE ----- 05/31/05 \$22,702.78

BALANCE OF
YOUR FUNDS
\$929.37
\$22,546.27
\$22,702.78

FIRST RESOURCE CHECKING ACCOUNT TRANSACTIONS

FOR THE PERIOD FROM 04/30/05 THROUGH 05/31/05

DATE	AMOUNT	DESCRIPTION	CARD #
05/11	22,481.78	DEPOSIT	
05/31	64.49	DEPOSIT	

DATE	CHECK #	AMOUNT	DATE	CHECK #	AMOUNT	DATE	CHECK #	AMOUNT
05/17	1010	6,424.78	05/16	1013	1,680.30	05/19	1016	17.50
05/20	1011	7,400.00	05/16	1014	1,104.70	05/02	1033*	66.50
05/31	1012	5,872.00	05/13	1015	137.00			

FIRST RESOURCE CHECKING ACCOUNT MONTHLY SUMMARY

AVERAGE COLLECTED BALANCE: 7,677.96
DEPOSITS: 2
ITEMS DEPOSITED: 2
WITHDRAWALS: 8
CASH DEPOSITED (EACH \$250 / FULL OR PARTIAL): 0
TRANSACTIONS COUNTED TOWARD LIMIT: 12

FIRST RESOURCE CHECKING DAILY BALANCE SUMMARY

DATE	BALANCE	DATE	BALANCE	DATE	BALANCE	DATE	BALANCE
05/02	862.87	05/11	23,344.65	05/13	23,207.65	05/16	20,422.65
05/17	13,997.87	05/19	13,980.37	05/20	6,580.37	05/31	772.86

***** INQUIRY INFORMATION *****
* ALL INQUIRIES FOR BALANCES, GENERAL INFORMATION, ACCOUNT ERRORS, ACCOUNT *
* ACTIVITY, AUTOMATED TELLER MACHINE ACTIVITY AND FIRST CHECK TRANSACTIONS *
* SHOULD BE DIRECTED TO (615)790-0442. *
* TO REPORT A LOST/STOLEN FIRST CHECK CARD: CALL (615)790-0442 IMMEDIATELY *
* AND FOLLOW THE VOICE PROMPTS, STARTING WITH OPTION #1. *
* DIRECT INQUIRIES CONCERNING PREAUTHORIZED ELECTRONIC FUNDS TRANSFER TO *
* (615)790-5100. *
* YOU MAY MAIL INQUIRIES CONCERNING AUTOMATED TELLER MACHINE ACTIVITY, FIRST *
* CHECK TRANSACTIONS, AND PREAUTHORIZED ELECTRONIC FUNDS TRANSFERS TO: *
* FIRST TENNESSEE BANK N.A. FRANKLIN *
* PUBLIC SQUARE *
* FRANKLIN, TN 37064 *

1010
KINGS CHAPEL CAPACITY LLC
1413 PLYMOUTH DR
BRIGHTWOOD, TN 37027
DATE 5/17/05
PAY TO THE ORDER OF Yanell \$ 6424.78
First Tennessee
MEMO #1010 E. Powell
⑆054101398⑆1010 100554813⑆ ⑆00004757⑆

CK 1010 REF 10078542 PD 05/17 AMT 6424.78

1011
KINGS CHAPEL CAPACITY LLC
1413 PLYMOUTH DR
BRIGHTWOOD, TN 37027
DATE 5/20/05
PAY TO THE ORDER OF Hand 9 \$ 7400.00
First Tennessee
MEMO E. Powell
⑆054101398⑆1011 100554813⑆ ⑆000074000⑆

CK 1011 REF 12119432 PD 05/20 AMT 7400.00

1012
KINGS CHAPEL CAPACITY LLC
1413 PLYMOUTH DR
BRIGHTWOOD, TN 37027
DATE 5/12/05
PAY TO THE ORDER OF Bamfield + Morgan PC \$ 5872.00
First Tennessee
MEMO #13 E. Powell
⑆054101398⑆1012 100554813⑆ ⑆0000587200⑆

CK 1012 REF 02343551 PD 05/31 AMT 5872.00

1013
KINGS CHAPEL CAPACITY LLC
1413 PLYMOUTH DR
BRIGHTWOOD, TN 37027
DATE 5/16/05
PAY TO THE ORDER OF Cheta Davis \$ 1680.30
First Tennessee
MEMO 86051 E. Powell
⑆054101398⑆1013 100554813⑆ ⑆0000168030⑆

CK 1013 REF 02513533 PD 05/16 AMT 1680.30

1014
KINGS CHAPEL CAPACITY LLC
1413 PLYMOUTH DR
BRIGHTWOOD, TN 37027
DATE 5/12/05
PAY TO THE ORDER OF Cheta Davis Court \$ 1104.70
First Tennessee
MEMO 87951 E. Powell
⑆054101398⑆1014 100554813⑆ ⑆0000110470⑆

CK 1014 REF 02513534 PD 05/16 AMT 1104.70

1015
KINGS CHAPEL CAPACITY LLC
1413 PLYMOUTH DR
BRIGHTWOOD, TN 37027
DATE 5/12/05
PAY TO THE ORDER OF TRA \$ 137.00
First Tennessee
MEMO 05-00032 E. Powell
⑆054101398⑆1015 100554813⑆ ⑆0000013700⑆

CK 1015 REF 10585414 PD 05/13 AMT 137.00

1016
KINGS CHAPEL CAPACITY LLC
1413 PLYMOUTH DR
BRIGHTWOOD, TN 37027
DATE 5/13/05
PAY TO THE ORDER OF TRA \$ 17.50
First Tennessee
MEMO 05-00024 E. Powell
⑆054101398⑆1016 100554813⑆ ⑆0000001750⑆

CK 1016 REF 05220347 PD 05/19 AMT 17.50

1033
KINGS CHAPEL CAPACITY LLC
1413 PLYMOUTH DR
BRIGHTWOOD, TN 37027
DATE 4/19/05
PAY TO THE ORDER OF Tennessee Regulatory Authority \$ 66.50
First Tennessee
MEMO Carroll County Gas E. Powell
⑆054101398⑆1033 100554813⑆ ⑆0000006650⑆

CK 1033 REF 13165765 PD 05/02 AMT 66.50

Legal
6424.28
5872.00
1104.70
1680.30

TRA
17.50
66.00
137.00

Consulting
7800



1638 ROBERT C JACKSON DR
MARYVILLE TN 37802

FIRST RESOURCE CHECKING ACCOUNT

KINGS CHAPEL CAPACITY LLC
1413 PLYMOUTH DR
BRENTWOOD TN 37027-6915

07 ACCOUNT NUMBER 100554813
EM 44 N

DATE 06/30/05

PAGE 1 OF 2

BALANCE OF
YOUR FUNDS
PREVIOUS BALANCE ----- 05/31/05 \$772.86
1 DEPOSITS TOTALING \$1,900.00
2 WITHDRAWALS TOTALING \$2,568.96
NEW BALANCE ----- 06/30/05 \$103.90

FIRST RESOURCE CHECKING ACCOUNT TRANSACTIONS

FOR THE PERIOD FROM 06/01/05 THROUGH 06/30/05

DATE	AMOUNT	DESCRIPTION	CARD #					
06/16	1,900.00							
DATE	CHECK #	AMOUNT	DATE	CHECK #	AMOUNT	DATE	CHECK #	AMOUNT
06/24	1017	2,550.00	06/20	1018	18.96			

FIRST RESOURCE CHECKING ACCOUNT MONTHLY SUMMARY

AVERAGE COLLECTED BALANCE: 1,182.09
DEPOSITS: 1
ITEMS DEPOSITED: 0
WITHDRAWALS: 2
CASH DEPOSITED (EACH \$250 / FULL OR PARTIAL): 0
TRANSACTIONS COUNTED TOWARD LIMIT: 3

FIRST RESOURCE CHECKING DAILY BALANCE SUMMARY

DATE	BALANCE	DATE	BALANCE	DATE	BALANCE	DATE	BALANCE
06/16	2,672.86	06/20	2,653.90	06/24	103.90		

***** INQUIRY INFORMATION *****
* ALL INQUIRIES FOR BALANCES, GENERAL INFORMATION, ACCOUNT ERRORS, ACCOUNT *
* ACTIVITY, AUTOMATED TELLER MACHINE ACTIVITY AND FIRST CHECK TRANSACTIONS *
* SHOULD BE DIRECTED TO (615)790-0442. *
* TO REPORT A LOST/STOLEN FIRST CHECK CARD: CALL (615)790-0442 IMMEDIATELY *
* AND FOLLOW THE VOICE PROMPTS, STARTING WITH OPTION #1. *
* DIRECT INQUIRIES CONCERNING PREAUTHORIZED ELECTRONIC FUNDS TRANSFER TO *
* (615)790-5100. *
* YOU MAY MAIL INQUIRIES CONCERNING AUTOMATED TELLER MACHINE ACTIVITY, FIRST *
* CHECK TRANSACTIONS, AND PREAUTHORIZED ELECTRONIC FUNDS TRANSFERS TO: *
* FIRST TENNESSEE BANK N.A. FRANKLIN *
* PUBLIC SQUARE *
* FRANKLIN, TN 37064 *

1017

KINGS CHAPEL CAPACITY LLC
1413 PLYMOUTH DR
SPRINGWOOD, TN 37077

PAID TO THE ORDER OF Sam Davis \$ 2550.00

ENTERED AND PAID 18.96

First Tennessee
MEMBER FDIC

43164 1013984 1017 100554813 0000255000

43164 1013984 1017 100554813 0000255000

CK 1017 REF 10292278 PD 06/24 AMT 2550.00

1018

KINGS CHAPEL CAPACITY LLC
1413 PLYMOUTH DR
SPRINGWOOD, TN 37077

PAID TO THE ORDER OF Feb 86 \$ 18.96

ENTERED AND PAID 18.96

First Tennessee
MEMBER FDIC

43164 1013984 1018 100554813 00000001896

43164 1013984 1018 100554813 00000001896

CK 1018 REF 12741329 PD 06/20 AMT 18.96

Legal

2550.00

18.96



1638 ROBERT C JACKSON DR
MARYVILLE TN 37802

FIRST RESOURCE CHECKING ACCOUNT

KINGS CHAPEL CAPACITY LLC
1413 PLYMOUTH DR
BRENTWOOD TN 37027-6915

07 ACCOUNT NUMBER 100554813
EM 44 N

DATE 07/29/05

PAGE 1 OF 1

	BALANCE OF YOUR FUNDS
PREVIOUS BALANCE ----- 06/30/05	\$103.90
0 DEPOSITS TOTALING	\$.00
0 WITHDRAWALS TOTALING	\$.00
NEW BALANCE ----- 07/29/05	\$103.90

***** INQUIRY INFORMATION *****
* ALL INQUIRIES FOR BALANCES, GENERAL INFORMATION, ACCOUNT ERRORS, ACCOUNT *
* ACTIVITY, AUTOMATED TELLER MACHINE ACTIVITY AND FIRST CHECK TRANSACTIONS *
* SHOULD BE DIRECTED TO (615)790-0442. *
* *TO REPORT A LOST/STOLEN FIRST CHECK CARD: CALL (615)790-0442 IMMEDIATELY *
* AND FOLLOW THE VOICE PROMPTS, STARTING WITH OPTION #1. *
* *DIRECT INQUIRIES CONCERNING PREAUTHORIZED ELECTRONIC FUNDS TRANSFER TO *
* (615)790-5100. *
* *YOU MAY MAIL INQUIRIES CONCERNING AUTOMATED TELLER MACHINE ACTIVITY, FIRST *
* CHECK TRANSACTIONS, AND PREAUTHORIZED ELECTRONIC FUNDS TRANSFERS TO: *
* FIRST TENNESSEE BANK N.A. FRANKLIN *
* PUBLIC SQUARE *
* FRANKLIN, TN 37064 *

\$\$\$\$\$\$\$\$\$\$\$\$\$\$\$\$ A MESSAGE FOR YOU \$\$\$\$\$\$\$\$\$\$\$\$\$\$\$\$\$\$
\$ EFFECTIVE AUGUST 1, 2005, NSF/OVERDRAFT FEES WILL BE \$32. \$
\$\$\$\$\$\$\$\$\$\$\$\$\$\$\$\$

**KING'S CHAPEL CAPACITY
RESPONSES TO SECOND SET OF DATA REQUESTS
DOCKET 04-00335
BEFORE THE TENNESSEE REGULATORY AUTHORITY
AUGUST 17, 2005**

3. As reflected by the Settlement and Mutual Release Agreement, KCC does have physical plant assets as of July 25, 2005. Also, if the owners of King's Chapel are providing the start up funding, a certain level of infused capital must have been made. Please provide a Balance Sheet showing the current assets and liabilities of KCC.

Company Response:

The Settlement and Mutual Release Agreement was drafted to reflect many things. The Judge in the Williamson County Chancery Court Case ruled that TWS under no set of facts provided owned the wastewater plant or system. The Judge was not asked to say who did own the wastewater plant or system. In The Settlement and Release Agreement it was important for us to have TWS understand this. So language used has certain legal ramifications contemplating what has occurred, and what might occur. It is a fact that The Settlement and Mutual Release Agreement does not transfer or convey personal property or real estate. Section 1 gets the parties and affiliates of TWS (parties of the Second Part) to recognize this fact, so they may never come back with any claim to property or the system. It is further contemplated that the system and property would be owned by KCC.

Only upon completion of the wastewater system will the developer of Kings Chapel Subdivision, Ashby Communities, LLC effect the transfer of the completed wastewater system to KCC at no charge to KCC. And only under those terms will KCC accept the property and system. This transaction will take place by transferring the property and improvements by deed.

KCC has not yet set up an accounting system and has no financial statements at this time to show the TRA. However, KCC does have a checkbook with deposits made by the owners. A copy of those bank statements have been supplied in response to Item 2. No assets have yet been purchased by KCC, and the balance in the checkbook at July 29, 2005 was \$103.90. Therefore, a balance sheet for KCC at July 31, 2005 would only show cash of \$103.90, and owner's equity of \$103.90.

**KING'S CHAPEL CAPACITY
RESPONSES TO SECOND SET OF DATA REQUESTS
DOCKET 04-00335
BEFORE THE TENNESSEE REGULATORY AUTHORITY
AUGUST 17, 2005**

4. To satisfy the bonding requirements of Williamson County, Hang Rock LLC received two (2) letters of credit from First Tennessee Bank on behalf of King's Chapel. The Company's response to Staff's August 4 data request, question 5, states that these were issued based on the amount of cash on hand held by the owners of King's Chapel. Additionally, the response to Staff's August 4 data request, question 6, states that the only funding source available to KCC is the equity of the partners. Therefore, please provide copies of the personal financial statements of the owners that were used to secure the letters of credit.

Company Response:

See attachments, Sewer Letters of Credits

No personal financials were needed to obtain certain irrevocable letters of credit, Letter of credits were based on cash deposits at equal amounts in order to secure those irrevocable letters of credit.

Williamson County has required two bonds secured by irrevocable letters of credit to insure the construction and continued operation of the wastewater system at issue in this petition. At the time the petition was filed October 5th 2004 a copy of those letters of credit had not been delivered to us, they were issued on October 4th 2004 so we probably received them a day or two latter after the petition was filed. We are submitting them with this data request as additional information, which would help show the authority that the owners have the financial capability to operate the utility.

The authority must realize that the owners have the financial ability to:

Purchase 350 acres	(approximately)	\$2,670,000.00
Construct and build and pave roads with curbs, underground utility infrastructure which includes natural, gas, water, electric, phone, and cable	(approximately)	\$1,800,000.00
Interest and legal fees to obtain CCN which will exceed		\$500,000.00
Cash security to Williamson County on Sewer Wastewater System alone		\$1,649,000.00
Estimated cost of the completed wastewater system including collection lines		\$1,000,000.00

**KING'S CHAPEL CAPACITY
RESPONSES TO SECOND SET OF DATA REQUESTS
DOCKET 04-00335
BEFORE THE TENNESSEE REGULATORY AUTHORITY
AUGUST 17, 2005**

The above totals \$7,619,000.00 the owners are committed to this project and the success of the wastewater system and the utility that will operate it. If Williamson County sees any problems with this wastewater system, including the construction or the operation they have the right to immediately cash the letter of credits for 1,649,000.00 to fix any problem that occurs. This bond alone is a great reason for the owners to make sure the system is operated with out flaw. For if it is not the owners have \$1,649,000 00 dollars on the table that could be lost if the utility does not do the job. This year the authority sponsored legislation because it thought \$75,000.00 dollars was excessive for certain wastewater facilities. Cash or irrevocable letters of credit did not back up these bonds. The owners of KCC by financial example above are committed to the operation of the wastewater system and will strive to ensure the utility is operated properly for the public it serves.

SUNTRUST

LETTER OF CREDIT NUMBER: P001540

OCTOBER 04, 2004

BENEFICIARY:

WILLIAMSON COUNTY PLANNING
COMMISSION
1320 WEST MAIN STREET, SUITE 400
FRANKLIN, TN 37064

DEAR SIR OR MADAM:

PLEASE FIND ATTACHED THE ORIGINAL LETTER OF CREDIT
IN YOUR FAVOR.

TELEPHONE INQUIRIES MAY BE MADE TO DALE TOOTHILL
AT 404 532 0925 REGARDING OUR LETTER OF CREDIT
OR ANY AMENDMENTS THERETO.

PLEASE ADDRESS ALL CORRESPONDENCE TO:

SUNTRUST BANK
25 PARK PLACE, 16TH FLOOR

STANDBY LETTERS OF CREDIT DEPT. 3706
ATLANTA, GA 30303



IRREVOCABLE LETTER OF CREDIT P001540

PAGE 1

LETTER OF CREDIT NUMBER: P001540
ISSUANCE DATE: SEPTEMBER 30, 2004

APPLICANT:
KING'S CHAPEL COMMUNITY
ASSOCIATION, INC., KING'S CHAPEL
CAPACITY, LLC
408 CHARLES GATE COURT
NASHVILLE, TN 37215

BENEFICIARY:
WILLIAMSON COUNTY PLANNING
COMMISSION
1320 WEST MAIN STREET, SUITE 400
FRANKLIN, TN 37064

FOR USD 651,000.00
(SIX HUNDRED FIFTY ONE THOUSAND 00/100 U.S. DOLLARS)

DATE OF EXPIRATION: OCTOBER 06, 2006

PLACE OF EXPIRATION: AT OUR COUNTERS

COVERING: PERFORMANCE/MAINTENANCE FOR WASTEWATER TREATMENT
SYSTEM

WE HEREBY ESTABLISH OUR IRREVOCABLE LETTER OF CREDIT NO. P001540
IN YOUR FAVOR FOR ACCOUNT OF THE ABOVE-REFERENCED APPLICANT
AVAILABLE BY YOUR DRAFTS DRAWN ON US PAYABLE AT SIGHT FOR ANY
SUM OF MONEY NOT TO EXCEED A TOTAL OF THE AMOUNT REFERENCED
ABOVE WHEN ACCOMPANIED BY THIS LETTER OF CREDIT AND THE
FOLLOWING DOCUMENT:

BENEFICIARY'S DATED CERTIFICATE SIGNED UNDER OATH BY THE
SECRETARY OF WILLIAMSON COUNTY PLANNING COMMISSION CERTIFYING
THAT "THE ACCOUNTEE (KING'S CHAPEL COMMUNITY ASSOCIATION,
INC., KINGS CHAPEL CAPACITY, LLC., HAS DEFAULTED UNDER
THAT AGREEMENT COVERING: BACK-UP WASTEWATER TREATMENT
AND DISPOSAL SYSTEM BETWEEN THE ACCOUNTEE (KING'S CHAPEL
COMMUNITY ASSOCIATION, INC., KINGS CHAPEL CAPACITY, LLC.,)
AND THE PLANNING COMMISSION, AND THE AMOUNT OF THE DAMAGE IS
THE AMOUNT OF THE ACCOMPANYING DRAFT."

CONTINUED ON NEXT PAGE

SUNTRUST

IRREVOCABLE LETTER OF CREDIT P001540

PAGE 1/2

IT IS A CONDITION OF THIS LETTER OF CREDIT THAT IT SHALL BE DEEMED AUTOMATICALLY EXTENDED WITHOUT AMENDMENT FOR TWO YEARS FROM THE EXPIRATION DATE HEREOF, OR ANY FUTURE EXPIRATION DATE, UNLESS SIXTY (60) DAYS PRIOR TO ANY EXPIRATION DATE WE SEND NOTICE TO YOU BY REGISTERED MAIL OR OVERNIGHT COURIER THAT WE ELECT NOT TO CONSIDER THIS LETTER OF CREDIT RENEWED FOR ANY SUCH ADDITIONAL PERIOD.

ALL DRAFTS MUST REFERENCE THE NUMBER AND ISSUE DATE OF THIS CREDIT.


THIS LETTER OF CREDIT IS SUBJECT TO THE UNIFORM CUSTOMS AND PRACTICE FOR DOCUMENTARY CREDITS (1993 REVISION), INTERNATIONAL CHAMBER OF COMMERCE PUBLICATION 500.

WE HEREBY AGREE WITH YOU THAT ALL DRAFTS DRAWN IN COMPLIANCE WITH THE TERMS OF THIS LETTER OF CREDIT WILL BE DULY HONORED UPON PRESENTATION AND DELIVERY OF THE DOCUMENTS SPECIFIED ABOVE TO THE BELOW ADDRESS ON OR BEFORE OCTOBER 06, 2006, OR ANY AUTOMATICALLY EXTENDED DATE.

ALL DOCUMENTS ARE TO BE REMITTED TO:
SUNTRUST BANK, INTERNATIONAL DIVISION
ATTN: LETTER OF CREDIT DEPARTMENT
25 PARK PLACE, 16TH FLOOR, MC 3706
ATLANTA, GEORGIA 30303

SINCERELY,

SUNTRUST BANK


AUTHORIZED SIGNATURE
BONNIE ANDERSON
VICE PRESIDENT

SUNTRUST

LETTER OF CREDIT NUMBER: PO01545

OCTOBER 07, 2004

BENEFICIARY:

WILLIAMSON COUNTY PLANNING
COMMISSION
1320 WEST MAIN STREET, SUITE 400
FRANKLIN, TN 37064

DEAR SIR OR MADAM:

PLEASE FIND ATTACHED THE ORIGINAL LETTER OF CREDIT
IN YOUR FAVOR.

TELEPHONE INQUIRIES MAY BE MADE TO DALE TOOTHILL
AT 404 532 0925 REGARDING OUR LETTER OF CREDIT
OR ANY AMENDMENTS THERETO.

PLEASE ADDRESS ALL CORRESPONDENCE TO:

SUNTRUST BANK
25 PARK PLACE, 16TH FLOOR
STANDBY LETTERS OF CREDIT DEPT. 3706
ATLANTA, GA 30303

SUNTRUST

IRREVOCABLE LETTER OF CREDIT P001545

PAGE 1

LETTER OF CREDIT NUMBER: P001545
ISSUANCE DATE: SEPTEMBER 30, 2004

APPLICANT:
KING'S CHAPEL COMMUNITY
ASSOCIATION, INC., KING'S CHAPEL
CAPACITY, LLC
KING'S CHAPEL COMMUNITY ASSOCIATION, INC.
KING'S CHAPEL CAPACITY, LLC

BENEFICIARY:
WILLIAMSON COUNTY PLANNING
COMMISSION
1320 WEST MAIN STREET, SUITE 400
FRANKLIN, TN 37064

FOR USD 998,208.00
(NINE HUNDRED NINETY EIGHT THOUSAND TWO HUNDRED EIGHT 00/100
U.S. DOLLARS)

DATE OF EXPIRATION: OCTOBER 01, 2006
PLACE OF EXPIRATION: AT OUR COUNTERS

COVERING: PERFORMANCE/MAINTENANCE FOR WASTEWATER TREATMENT
SYSTEM

WE HEREBY ESTABLISH OUR IRREVOCABLE LETTER OF CREDIT NO. P001545
IN YOUR FAVOR FOR ACCOUNT OF THE ABOVE-REFERENCED APPLICANT
AVAILABLE BY YOUR DRAFTS DRAWN ON US PAYABLE AT SIGHT FOR ANY
SUM OF MONEY NOT TO EXCEED A TOTAL OF THE AMOUNT REFERENCED
ABOVE WHEN ACCOMPANIED BY THIS LETTER OF CREDIT AND THE
FOLLOWING DOCUMENT:

BENEFICIARY'S DATED CERTIFICATE SIGNED UNDER OATH BY THE
SECRETARY OF WILLIAMSON COUNTY PLANNING COMMISSION CERTIFYING
THAT "THE ACCTEEN (KING'S CHAPEL COMMUNITY ASSOCIATION, INC.,
KING'S CHAPEL CAPACITY, LLC., HAS DEFAULTED UNDER
THAT AGREEMENT COVERING WASTEWATER TREATMENT AND DISPOSAL
SYSTEM BETWEEN THE ACCTEEN (KING'S CHAPEL COMMUNITY
ASSOCIATION, INC., KING'S CHAPEL CAPACITY, LLC.,)
AND THE PLANNING COMMISSION, AND THE AMOUNT OF THE DAMAGE
IS THE AMOUNT OF THE ACCOMPANYING DRAFT."

SUNTRUST

IRREVOCABLE LETTER OF CREDIT P001545

PAGE 2

IT IS A CONDITION OF THIS LETTER OF CREDIT THAT IT SHALL BE DEEMED AUTOMATICALLY EXTENDED WITHOUT AMENDMENT FOR TWO YEARS FROM THE EXPIRATION DATE HEREOF, OR ANY FUTURE EXPIRATION DATE, UNLESS SIXTY (60) DAYS PRIOR TO ANY EXPIRATION DATE WE SEND NOTICE TO YOU BY REGISTERED MAIL OR OVERNIGHT COURIER THAT WE ELECT NOT TO CONSIDER THIS LETTER OF CREDIT RENEWED FOR ANY SUCH ADDITIONAL PERIOD.

ALL DRAFTS MUST REFERENCE THE NUMBER AND ISSUE DATE OF THIS CREDIT.

THIS LETTER OF CREDIT IS SUBJECT TO THE UNIFORM CUSTOMS AND PRACTICE FOR DOCUMENTARY CREDITS (1993 REVISION), INTERNATIONAL CHAMBER OF COMMERCE PUBLICATION 500.

WE HEREBY AGREE WITH YOU THAT ALL DRAFTS DRAWN IN COMPLIANCE WITH THE TERMS OF THIS LETTER OF CREDIT WILL BE DULY HONORED UPON PRESENTATION AND DELIVERY OF THE DOCUMENTS SPECIFIED ABOVE TO THE BELOW ADDRESS ON OR BEFORE OCTOBER 01, 2006, OR ANY AUTOMATICALLY EXTENDED DATE.

ALL DOCUMENTS ARE TO BE REMITTED TO:
SUNTRUST BANK, INTERNATIONAL DIVISION
ATTN: LETTER OF CREDIT DEPARTMENT
25 PARK PLACE, 16TH FLOOR, MC 3706
ATLANTA, GEORGIA 30303

SINCERELY,

SUNTRUST BANK

AUTHORIZED SIGNATURE

HONNIE ANDERSON

VICE-PRESIDENT

**KING'S CHAPEL CAPACITY
RESPONSES TO SECOND SET OF DATA REQUESTS
DOCKET 04-00335
BEFORE THE TENNESSEE REGULATORY AUTHORITY
AUGUST 17, 2005**

5. The Company's response to Staff's August 4 data request, question 28 states that KCC does not have a projected time frame for the home build out in the two (2) subdivisions. Does KCC have a business plan for the construction of the wastewater system(s) in each of the proposed developments? If so, answer the following:

- a. Provide a projected timeline for the construction of the proposed wastewater system(s).**
- b. Provide a projected time frame for King's Chapel Subdivision and Blackhawk Subdivision to be connected to the proposed wastewater system(s).**
- c. If the system will be built in phases, provide a description of each phase and an estimate of the capacity of each phase.**
- d. Provide a cost estimate of each phase.**

Company Response:

KCC does not have a business plan for the construction of the wastewater system because we have not yet received authority from the TRA to begin construction, and any business plan originally drafted would have to be revised to reflect the timing of the TRA's approval. Additionally KCC will not be paying for this construction so a business plan concerning construction details seems inappropriate.

In regards to Items a – d above, please see the Company's response to Items 13 and 18 of the TRA Staff's first data request.

Specifically, KCC expects to complete the wastewater plant and construction of the collection lines by November 1, 2005 if approval of its CCN takes place by August 29, 2005. The Company estimates the final cost of the wastewater system to be approximately \$1 million (\$1,000,000) which will be paid for by the developers and recorded as a Contribution in Aid of Construction ("CIAOC") by KCC.

KCC is not concerned about a cost estimate of each phase. The plant section of the wastewater system has been completed based on the capacity of the entire development of the Kings Chapel Subdivision (218) homes. KCC will have no construction costs on these individual phases, which only need collection lines that the developer must pay to have constructed and connected and then transfer these collection lines to the utility at no cost to the utility (KCC). In the event Blackhawk wishes to utilize the wastewater plant

**KING'S CHAPEL CAPACITY
RESPONSES TO SECOND SET OF DATA REQUESTS
DOCKET 04-00335
BEFORE THE TENNESSEE REGULATORY AUTHORITY
AUGUST 17, 2005**

and system they will have to pay for the construction of additional capacity when they request it, they will also pay for collection lines that will be transferred to the Utility at no cost to the utility. Any plant or system additions would be preceded by TDEC design approval. However as these will be recorded as CIAOC the utility will not charge the developers of Kings Chapel Subdivision or Blackhawk any profit for this work being performed at their expense to be gifted to the utility in order to serve the public.

A cost estimate would be taken from collection line drawings that would be tendered to TDEC before additional construction is started. We would estimate that collection lines could be installed for less than \$15.00 per lineal foot.

**KING'S CHAPEL CAPACITY
RESPONSES TO SECOND SET OF DATA REQUESTS
DOCKET 04-00335
BEFORE THE TENNESSEE REGULATORY AUTHORITY
AUGUST 17, 2005**

6. In its response to Staff's August 4 data request, question 10, KCC provided a copy of its contract with James Johnson for technical oversight of its wastewater system(s). The contract does not contain the signature of Mr. Powell. Please provide a copy of the fully executed contract.

Company Response:


See attached.

Engagement Agreement

I, Jim Johnson, a certified holder of a class 4 wastewater operators license in Tennessee offer contract employment services to King's Chapel Capacity, LLC for the purpose of operating the sewer wastewater system that services the property known as King's Chapel Subdivision. The proposed engagement period is for an unspecified period of time and shall exist as long as services are being rendered or until terminated by either party. As payment for these services, KCC agrees to pay me a mutually agreed amount of \$700.00 per month. A retainer in the amount of \$250 will be tendered to me in order to reserve my services for KCC. As part of the retainer, I may be required to appear at State Administrative Conferences, State Board Hearings, and any Williamson County Proceedings. In addition, as part of the retainer I agree not to accept future services that would conflict with the agreement made upon here. KCC understands that I am also employed by The City of Franklin, Tennessee, and have additional contracts to operate other wastewater facilities.

Pursuant to this agreement, I agree to be the full-time operator of the aforesaid sewer wastewater system. This would entail, but not be limited to, inspecting and maintaining the system in accordance with all applicable Local, State and Federal laws and rules.

Either party can terminate with or without cause this agreement. If terminated by me, I agree to give KCC a 30-day written notice prior to the final day of my services. I also agree to perform the required and necessary services needed to operate and maintain the sewer system up until the final agreed upon date of work. If terminated by KCC, KCC agrees to compensate me for any work performed up to the time of termination and agrees to provide a 30-day severance.


Jim Johnson
Operator Lic. # 405501106

8/9/05
Date


John Powell
Managing Member of KCC

8/9/05
Date

**KING'S CHAPEL CAPACITY
RESPONSES TO SECOND SET OF DATA REQUESTS
DOCKET 04-00335
BEFORE THE TENNESSEE REGULATORY AUTHORITY
AUGUST 17, 2005**

7. To establish a public need for the proposed wastewater system(s), please provide a letter from the developer, Ashby Community Development, expressing the need for wastewater service and stating its desire that KCC become its wastewater service provider.

Company Response:

See attached.

Ashby Communities, LLC
1413 Plymouth Drive
Brentwood, TN 37027

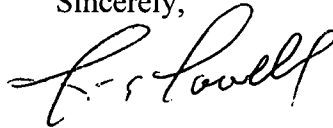
August 16, 2005

Kings Chapel Capacity, LLC
1413 Plymouth Drive
Brentwood, TN. 37027

Dear Mr. Powell:

Ashby Communities, L.L.C. the developer of Kings Chapel Subdivision hereby requests that King's Chapel Capacity, L.L.C. provide public utility wastewater service to our development at King's Chapel subdivision near Arrington, Tennessee.

Sincerely,

A handwritten signature in cursive script, appearing to read "J. Powell", written in black ink.

John Powell

**KING'S CHAPEL CAPACITY
RESPONSES TO SECOND SET OF DATA REQUESTS
DOCKET 04-00335
BEFORE THE TENNESSEE REGULATORY AUTHORITY
AUGUST 17, 2005**

8. In its response to Staff's August 4 data request, question 15, Mr. Powell submitted pre-filed testimony attesting to the public need as well as the financial, managerial and technical ability of KCC to provide wastewater service to the proposed development. Please provide a copy with a signed affidavit.

Company Response:

See attached.

1 **Q. Would you state your name for the record, please?**
2 A. My name is John Powell.
3 **Q. By whom are you employed, Mr. Powell, and what is your position?**
4 A. I am a Partner and the General Manager of King's Chapel Capacity, L.L.C.
5 ("KCC").
6 **Q. How long have you been employed by King's Chapel Capacity, L.L.C.?**
7 A. Since its inception in 2004.
8 **Q. Please describe the area known as Ashby Communities that King's Chapel**
9 **Capacity proposes to service.**
10 A. Ashby Communities is the developer of property that is owned by four different
11 LLCs. These LLCs are Hang Rock, LLC; King's Camp, LLC; Arrington
12 Meadows, LLC; and Over the Branch, LLC. The property belonging to these four
13 LLCs are being developed by Ashby Communities, and the name of the subdivision is
14 Kings Chapel. The King's Chapel subdivision is composed of 218 single family lots that
15 are incorporated in its site plan, and the Blackhawk subdivision has 33 single family lots
16 incorporated within its site plan
17 **Q. Does a need presently exist for a wastewater provider in the Ashby**
18 **Communities?**
19 A. Yes. As mentioned in our Petition, Ashby Communities is presently without a
20 wastewater provider. Neither Williamson County nor any of the local utility
21 districts or municipalities intends to provide wastewater service to this area. As a
22 result, the only wastewater alternative for Ashby Communities apart from KCC
23 would be individual septic tanks which would be harmful to the environment in
24 this area.
25 **Q. Mr. Powell, what is the purpose of your testimony in this case?**
26 A. The purpose of my testimony is to present information to the TRA on managerial,
27 financial, and technical capability of KCC. In addition, I am responsible for the

1 information previously submitted by KCC in response to the TRA Staff's data
2 request.

3 **Q. Mr. Powell, does King's Chapel Capacity, L.L.C. possess the managerial**
4 **capabilities to operate a wastewater utility?**

5 A. Yes. KCC, along with its outside consultants and contractors, has the managerial
6 capability to provide wastewater utility services. Specifically, KCC has
7 contracted with WHN Consulting and Farris Mathews, Branam Bobango Hellen &
8 Dunlap to provide it with the regulatory, accounting and legal expertise that it will need
9 to carry out its managerial duties.

10 **Q. Mr. Powell, please describe the financial capabilities of King's Chapel**
11 **Capacity, L.L.C.**

12 A. Through its owners, KCC possesses the financial capability to provide wastewater
13 utility service. Naturally, without proper financial capability, the wastewater
14 infrastructure couldn't be built in the first place. However, KCC has also secured
15 bonds to assure the continued performance of wastewater service for the Ashby
16 Communities.

17 **Q. Mr. Powell, please describe the technical capabilities of King's Chapel**
18 **Capacity, L.L.C.**

19 A. KCC, along with its outside consultants and contractors, has the technical
20 capability to provide wastewater utility services. Specifically, KCC has
21 contracted with an experienced Certified Class IV Wastewater Operator to provide
22 it with the operating and maintenance capabilities that it will need to carry out its
23 technical duties.

24 **Q. Does this conclude your testimony?**

25 A. Yes, it does.

**BEFORE THE TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE**

IN RE:

**PETITION OF KING'S CHAPEL)
CAPACITY, LLC FOR CERTIFICATE OF)
CONVENIENCE AND NECESSITY TO)
SERVE AN AREA IN WILLIAMSON)
COUNTY, TENNESSEE KNOWN AS)
ASHBY COMMUNITY)**

DOCKET NO. 04-00335

AFFIDAVIT OF JOHN POWELL

STATE OF TENNESSEE)
) ss
COUNTY OF DAVIDSON)

The undersigned, John Powell, first being duly sworn, states as follows:

I am the same John Powell referred to in the Pre-Filed Testimony of Docket 04-00335 submitted on behalf of King's Chapel Capacity before the Tennessee Regulatory Authority. I have read and have personal knowledge of the facts set forth in the Pre-Filed Testimony to which this Affidavit is attached. To the best of my knowledge, information and belief, the information contained in the Pre-Filed Testimony is true, complete and accurate.

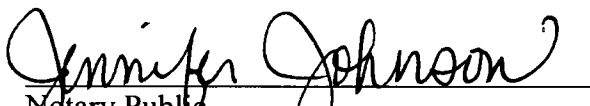
FURTHER AFFIANT SAITH NOT.



JOHN POWELL

Subscribed and sworn to before me

this the 17 day of August, 2005.



Notary Public

My Commission Expires: 3/21/09

**KING'S CHAPEL CAPACITY
RESPONSES TO SECOND SET OF DATA REQUESTS
DOCKET 04-00335
BEFORE THE TENNESSEE REGULATORY AUTHORITY
AUGUST 17, 2005**

9. In response to Staff's August 4 data request, KCC stated in response to question 30 that, "At this time the Company has no operating history upon which to base a rate study. KCC's proposed initial tariff is based upon the tariff already approved by the TRA in Tennessee Wastewater Service's last rate case (Docket #99-00393)..." Accordingly, please provide justification for KCC's proposal to charge a \$25 disconnection fee rather than the \$10 disconnection fee approved for Tennessee Wastewater Service.

Company Response:

KCC's proposed disconnection fee is the same \$10 as that approved for Tennessee Wastewater Service as shown on TRA Tariff #2, Sheet #3. However, the \$25 disconnection fee referenced on TRA Tariff #3, Sheet #2 is in error and should be \$10. A corrected TRA Tariff #3, Sheet #2 is attached. KCC apologizes for the error and any confusion it may have caused.

King's Chapel Capacity
TRA #3
Wastewater Tariff

Sheet #2
Effective Date: _____

**King's Chapel Capacity
Ashby Communities Billing Rates**

	Monthly Charge	Escrowed Amount
Collection System Operation and Maintenance (Tariff Items 1 – 4)	\$8.95	\$6.35
Treatment System Cost (Tariff Items 5 – 7)	6.23	2 90
Utility Cost (Tariff Items 11 and 13)	1.30	0.00
Disposal System Cost (Tariff Items 15 – 17)	1.53	0.88
Sampling and Testing Cost (Tariff Item 18)	7.00	0.00
Billing and Collection Cost (Tariff Item 20)	1.50	0.00
Miscellaneous Cost (Tariff Items 21 – 30 excluding Bonding)	8.60	0.00
Bonding Cost (Pass Through) **	5.11	0.00
Total	\$40.22	\$10.13

Incidental Rates:

Late Payment	5% of Bill.
Disconnection	\$10.00
Reconnection	\$15.00
Returned Check	\$20.00
Access	\$84.00

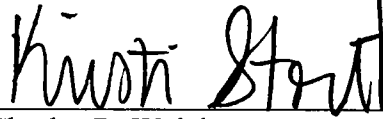
**** Bonding Cost incurred is passed through to the customer with no markup by the Company.**

Total Bonding Cost

Amount of Bond	\$1,649,748
Interest Rate	1%
Number of Lots	269
Months per Year	12
Total	\$5.11

Respectfully submitted,

FARRIS MATHEWS BRANAN
BOBANGO HELLEN & DUNLAP, PLC



Charles B. Welch, Jr.

Kristi Stout

618 Church Street, Suite 300

Nashville, TN 37219

Tel: (615) 726-1200

Fax: (615) 726-1776

Attorneys for Petitioners


CERTIFICATE OF SERVICE

The undersigned hereby certified that the foregoing document has been served upon the following person/s by hand delivery or by United States Mail, with proper postage prepaid thereon:

Henry Walker, Esquire
Boult, Cummings, Conners & Berry, PLC
1600 Division Street, Suite 700
P.O. Box 340025
Nashville, TN 37203-00259

Richard Militana
Militana & Militana
5845 Old Highway 96
Franklin, Tennessee 37064

This 17 day of August 2005.


Kristi Stout